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| --- | --- |
| **REQUESTOR NAME** | **VECC** |
| **INFORMATION REQUEST ROUND:**  | **# 1** |
| **TO:** | **Hydro One Networks Inc.** |
| **DATE:**  | **October 20, 2025** |
| **CASE NO:**  | **EB-2025-0030** |
| **APPLICATION NAME** | **2026 Application – Z-factor Application** |

VECC-1

Hydro One seeks recovery of the following costs related to the March 29, 2025 storm:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Hydro One Distribution** | **Peterborough RZ** | **Orillia RZ** | **Total** |
| **Z-factor ($M)** | $187.0 M | $7.4 | $1.8 | $196.2 |
| **Asset Removal Costs ($M)** | $25.5 | $1.0 | $0.2 | $26.7 |
| **Total ($M)** | $212.5 | $8.4 | $2.0 | $222.9 |

1. Please provide a detailed breakdown and explanation of the Z-factor costs by Rate Zone.
2. Please provide a detailed breakdown of asset removal costs by Rate Zone.
3. Hydro One indicates the majority of the costs incurred were capital. Please describe Hydro One’s capitalization policy and the rationale/criteria used to determine capitalized costs.
4. Please confirm whether any labour charges have been capitalized. If so, provide a detailed explanation of how these costs are directly attributable to the restoration work.
5. Hydro One is not seeking recovery of the OM&A costs it incurred due to the Z-factor event. Please provide the OM&A costs related to the event.
6. Have the Z-factor costs been audited. If not, when will this occur?

VECC-2

Ref: Exhibit A-6-1 p. 5

Figure 4 shows the magnitude of customers without power between March 29 and April 14 within each of the Hydro One operations centre geographic boundaries.

Damages occurred across the following Operations Centre: Ashburnham, Alliston, Aylmer,

Bancroft, Barrie, Beachville, Bolton, Bowmanville, Bracebridge, Brockville, Clinton, Couchiching,

Essex, Guelph, Fenelon Falls, Huntsville, Kent, Kingston, Listowel, Minden, Newmarket,

Orangeville, Orillia, Owen Sound, Parry Sound, Penetanguishene, Perth, Peterborough, Picton,

Strathroy, Trenton, Tweed, Walkerton, Woodstock.

Please overlay the names of the above Operations Centres on Figure 4.

VECC-3

1. Please summarize Hydro One’s Vegetation Management strategy and in the response include the cycle length, the current year of the cycle and a map of the cycle.
2. Please provide Hydro One’s Vegetation Management amount approved in rates for Hydro One Distribution, Peterborough and Orillia.
3. Please provide Hydro One’s Vegetation Management budget compared to actuals by Rate Zone for the years 2022 to 2025.
4. Please complete the following Table by Rate Zone.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2022 | 2023 | 2024 | 2025 |
| Vegetation Management Planned Accomplishments |  |  |  |  |
| Vegetation Management ActualAccomplishments |  |  |  |  |

1. Please discuss Hydro One’s historical investments in resilient infrastructure.

VECC-4

Ref: Exhibit A-6-1 p. 6

Table 1 provides the asset damage resulting from the Z-factor event.

1. Please provide Table 1 broken down by Rate Zone.
2. For provide the latest condition of each asset category prior to the storm.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Asset Quantities | #Very Good | #Good | #Fair | #Poor | #Very Poor | Total |
| Broken Poles |  |  |  |  |  |  |
| Broken Cross Arms |  |  |  |  |  |  |
| Broken Transformers |  |  |  |  |  |  |

1. Please confirm all of the broken assets were replaced. If not, please discuss Hydro One’s restoration approach.
2. Please confirm assets were replaced on a like-for-like basis, with no enhancements or betterments beyond what was necessary for safe and timely restoration.
3. Please provide details of replaced assets by Rate Zone previously scheduled for replacement in the DSP.

VECC-5

Ref: Exhibit A-6-1 p. 7

Table 2 provides the total number of customer interruptions and customer interruption hours.

Please provide the total number of interruptions.

VECC-6

Ref: Exhibit A-6-1 p. 7

Table 3 provides the SAIFI (0.8) and SAIDI (32.7) for the March 2025 storm.

With respect to tracking outages, please discuss how the duration of time to restore customers beyond April 14 is treated with respect to SAIDI and SAIFI. Does the clock run continuously in term of customer interruption hours until power is restored to the last customer on May 8 - is all of this data included in SAIFI and SAIDI results related to the storm?

VECC-7

Ref: Exhibit A-6-1 p. 9

Hydro One’s restoration efforts during the storm event were guided by established emergency response protocols, including the activation of its Distribution Emergency Management Procedure (DEMP).

1. Please provide a copy of the DEMP.
2. Please confirm Hydro One did not deviate from its DEMP.
3. Please provide details of any proposed updates to the DEMP following the storm.

VECC-8

Ref: Exhibit A-6-1 pp. 4-5, p. 14

Each of the days from March 29-April 6 qualified as a Major Event Day. The majority of customer restorations took place between March 29 and April 14. Normal operations resumed on April 14, 2025 however, the final customer outage due to the Z-factor event was not resolved until early May. Permanent infrastructure replacements continued beyond May, with nearly all final restorations completed by June 30. Hydro One has included only those costs incurred up to and including June 30, 2025.

1. Please provide a breakdown of Z-factor costs between Hydro One Distribution, Peterborough Rate Zone and Orillia Rate Zone between the following timeframes:
	1. March 29-April 6
	2. April 7-April 14
	3. April 15- May 8
	4. May 9-June 30

VECC-9

Ref: Exhibit A-6-1 p. 19

The achieved ROE for 2024 was 9.79%, 43 basis points above the deemed ROE of 9.36%.

Please provide the forecast ROE for 2025.

VECC-10

Ref: Exhibit A-6-1 p. 20

1. Please expand Table 9 to include the year 2022.
2. Please confirm the Distribution Lines Trouble Call and Storm Damage Response amounts

In base rates.

1. Please provide the equivalent emergency response/restoration amounts in base rates for the Peterborough Rate Zone and Orillia Rate Zone.
2. Please provide the forecast compared to actual emergency response/restoration amounts for the Peterborough and Orillia Rate Zones in the same format as Table 9 for the years 2022 to 2025.

VECC-11

Ref: Exhibit A-6-1 p. 21

Please provide Table 10 on the basis of rate zones.

VECC-12

Ref: Exhibit A-6-1 p. 21

Please add 2022 data to Table 11.

VECC-13

Ref 1: Exhibit A-6-1 p. 23

Hydro One crews, contractors and mutual aid partners responded to the storm.

1. Please complete the following Table. In the response define “Other” costs.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Internal Resources | Third-Party Contractors | Mutual Aid Partners |
| Labour Hours - Regular |  |  |  |
| Labour Hours - Overtime |  |  |  |
| Labour $ - Regular |  |  |  |
| Labour $ - Overtime |  |  |  |
| Materials $ |  |  |  |
| Equipment $ |  |  |  |
| Vehicles $ |  |  |  |
| Sub-contractor $ |  |  |  |
| Other $ |  |  |  |
| TOTAL $ |  |  |  |

1. Please provide Hydro One’s overtime policy with respect its non-union employees and management.
2. Please confirm regular wages and base salaries for Hydro One are excluded from the Z-factor claim. If not, please explain.
3. Please explain the nature of the restoration efforts undertaken by Hydro One crews, compared to contractors and mutual aid partners.

VECC-14

Ref: Exhibit A-6-1 p. 25

The costs presented in this application for recovery exclude the applicable carrying charges. Hydro One is seeking recovery of carrying charges and will update these amounts during the course of the proceeding, consistent with final OEB approved interest rates applicable to deferral and variance accounts.

Please provide the amounts sought by rate zone including carrying charges.

VECC-15

1. Please provide the number of interruptions, number of customer interruptions and number of customer interruption minutes by Cause Code for each of the years 2020 to 2025 for each Rate Zone.
2. Please discuss the trend in Tree Contact interruptions.

VECC-16

Ref: Exhibit A-6-1 Attachment 3 p.4

The Major Events response states “A comprehensive internal After-Action Review is currently underway to drive improvements across processes, people, and technology. This review will enhance our operational procedures, strengthen team capabilities,and upgrade data systems to deliver more accurate, customer-focused information and ensure more effective response and communication during future incidents.

1. Please provide the status of the review. If completed, please provide a copy of the review.
2. If still in progress, please provide the preliminary findings from the review including recommended improvements.

VECC-17

Ref 2: Exhibit A-6-1 Attachment 3 p.4

The following utilities provided the assistance: Alectra Utilities, Algoma Power, Bluewater Power, Burlington Hydro, CanadianNiagara Power (Fortis), Elexicon Energy, Enova Power, ENWIN Utilities,EPCOR, ERTH Power, ESSEX Powerlines, GrandBridge Energy, GreaterSudbury Hydro, Hydro Ottawa, London Hydro, Milton Hydro, Oakville Hydro,Orangeville Hydro, PUC Services, Toronto Hydro, and Utilities Kingston, CentreWellington Hydro, Lakefront Utilities, NPEI, Oshawa PUC, Ottawa River Power,Renfrew Hydro, Wasaga PUC, Wellington North Power, and Westario Power. Inaddition to the distributors listed, Hydro One received assistance from Hydro Quebec and NB Power as well.

Please provide a schedule that sets out the payments made to each utility.

VECC-18

Please provide the percentage of underground versus overhead for each Rate Zone.